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TWENTY-THIRD

ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

Chicago, Burlington & Quincy

RAILROAD COMPANY,

TO THE

STOCKHOLDERS.

FOR THE YEAR ENDING DECEMBER 31, 1876.

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2789

DIRECTORS.

JOHN M. FORBES,	BOSTON, MASS.
SIDNEY BARTLETT,	" "
JOHN N. DENISON,	" "
CHARLES J. PAINE,	" "
T. JEFFERSON COOLIDGE,	" "
JOHN N. A. GRISWOLD,	NEWPORT, R. I.
WILLIAM J. ROTCH,	NEW BEDFORD, MASS.
PETER GEDDES,	CHICAGO, ILL.
JAMES M. WALKER,	" "
ROBERT HARRIS,	" "
CHARLES E. PERKINS,	BURLINGTON, IOWA.

EXECUTIVE AND FINANCE COMMITTEE.

JOHN N. A. GRISWOLD,
JOHN M. FORBES,
SIDNEY BARTLETT,
CHARLES J. PAINE,
ROBERT HARRIS.

WESTERN EXECUTIVE COMMITTEE.

ROBERT HARRIS, J. M. WALKER, C. E. PERKINS.

OFFICERS.

ROBERT HARRIS,	PRESIDENT.
C. E. PERKINS,	VICE PRESIDENT AND GENERAL MANAGER.
J. M. WALKER,	GENERAL SOLICITOR AND COUNSEL.
J. N. A. GRISWOLD,	CHAIRMAN OF THE BOARD.
J. N. DENISON,	CLERK OF THE BOARD AND ASS'T TREAS.
AMOS T. HALL,	TREASURER AND SECRETARY.
GEORGE TYSON,	GENERAL AUDITOR.
WILLIAM B. STRONG,	GENERAL SUPERINTENDENT.

TWENTY-THIRD ANNUAL REPORT.

OFFICE OF THE
CHICAGO, BURLINGTON & QUINCY RAILROAD CO.,
CHICAGO, *January* 1, 1877.

The Directors of the Chicago, Burlington & Quincy Railroad Company respectfully submit to the Stockholders the following report of the earnings, expenditures and transactions of the Company for the year ending December 31st, 1876.

The Earnings of the Road, including Branches and Leased Roads, have been :

From Freight	$8,821,225.16	
" Passengers	2,653,888.54	
" Mail, Express and Miscellaneous	528,836.75	
" Interest and Exchange	53,844.40	$12,057,794.85
The Operating Expenses, including Taxes for the year, and also a disputed Tax on Capital Stock, for 1874, amounting to $138,808.63, paid this year, have been		$6,868,545.32
Leaving Net Earnings for the year		$5,189,249.53
Interest on Bonds		1,991,956.79
Leaving a balance of		$3,197,292.74

Out of which has been paid :

Dividends No. 31 and 32	$2,749,065.37	
Rents of Tracks and Depots	84,263.13	
U. S. Tax—adjustment of old claim	24,940 83	
Amount transferred to Sinking Fund for 1876, being amount required by provision of the 8 per cent. Mortgage	194,082.00	$3,052,351.33
Leaving Surplus over every current liability and Sinking Fund for the year		$144,941.41
To which add amount at credit of Income Account at the commencement of the year	$4,361,567.27	
Less amount of securities transferred from Income Account to credit of Sinking Fund for previous years to bring Sinking Fund up to full amount required by conditions of the 8 per cent. Mortgage	515,125.19	$3,846,442.08
		$3,991,383.49
From which deduct suspended debts and investments of doubtful value		1,533,061 64
Leaving Net Income Account estimated at		$2,458,321.85
The Sinking Fund for C., B. & Q. 8 per cent. Bonds stands at		2,072,952.07
The Sinking Fund for B. & M. R. Land Grant Bonds stands at		1,114,639.80
Local aid used for construction B. & M. R. R. R.		382,070.47
Amount at credit of Profit and Loss Account		151,582.29
		$6,179,566.48

The items of Assets representing the foregoing accounts are as follows :

C., B. & Q. Sinking Fund	$2,072,952.07
B. & M. Land Grant Sinking Fund	1,114,639.80
Local Aid in Iowa, used in construction of B. & M. Road	382,070.47
Portion of Surplus Account used in construction of C., B. & Q. and Branches, prior to consolidated mortgage, and for which no 7 per cent. Bonds can be issued	141,447.65

Amount expended in construction on road in Iowa, for which there is not now any provision for funding	886,528.12
Amount expended on New Construction Account on C., B. & Q. and Branches, for which Consolidated 7 per cent. Bonds can be sold	956,552.55
Value of supplies and material on hand, Bonds and Cash	545,249.96
Sundry investments—details in Auditor's Report	80.125.86
	$6,179,566.48

For details of changes in these accounts since last year, see Auditor's Report.

CAPITAL STOCK.

The Capital Stock of the Chicago, Burlington & Quincy Railroad Company at the date of last Report

was		$25,100,110.00	
Issued in the year in exchange for Stock of the B. & M. R. R. R. Co		2,127,700.00	
			$27,227,810.00
B. & M. R. R. R. Co. Stock outstanding at date of last Report		$2,412,732.51	
Issued in the year in exchange for B. & M. R. R. R. Bonds		85,500.00	
		$2,498,232.51	
Less amount of subscription to Stock of B. &. M. R. R. R. Co. refunded	$100		
Less amount Stock of B. & M. R. R. Co. exchanged for C., B. & Q. R. R. Co. Stock	$2,127,700—	$2,127,800.00	
Total Stock of B. & M. R. R. R. Co. outstanding			$370,432.51
Aggregate amount of Stock on both Roads outstanding December 31, 1876			$27,598,242.51

FUNDED DEBT.

The Funded Debt of this Company at the date of the last Report, including the contingent indebtedness of its Branch Bonds and the Bonds of the Burlington & Missouri River Railroad Company was			$27,539,575.00
Issued during the year, C., B. & Q. 7 per cent. Bonds payable 1903, viz.:			
Exchanged for other Bonds		$1,849,000.00	
Sold to pay other bonded indebtedness of the Company, viz.:			
C., B & Q. 8 per cent. Sinking Fund	$18,000		
Northern Cross Scrip paid off	65,250		
Northern Cross Sinking Fund paid in 1876	50,000—		
		133,250.00	
Sold and applied to payment of Construction Expenditure, out of the Reserve provided for that purpose in the Consolidated Mortgage		22,750.00	
		$2,005,000.00	
Taken up during the year:			
Bonds of sundry issues as provided in the Consolidated Mortgage		$1,849,000.00	
Purchased under provisions for Sinking Fund		86,000.00	
C., B. & Q. Scrip on account of Northern Cross R. R. paid and cancelled		21,750.00	
B. &. M. R. R. R. Bond, paid and cancelled		1,000.00	
B. & M. R. Bonds converted into B. & M. R. Stock		85,500.00	
		$2,043,250.00	
Decrease of Funded Debt in the year			38,250.00
Funded Debt, December 31, 1876			$27,501,325.00

The Bonded Indebtedness of the Burlington & Missouri River Railroad Company at the end of the year, included in the above statement, was $5,908,850, of which $1,269,000 are convertible into C., B. & Q. Stock, and $1,600 are overdue Bonds not yet presented for payment, the balance constituting the Land Grant Mortgage.

SINKING FUNDS.

The state of the Sinking Fund for the 8 per cent. Mortgage, and also for the Land Grant Fund of the B. & M. R. R. R. Co., is fully given in the Treasurer's Report, and will show that the obligations with regard to these Funds have been fully complied with.

TRAFFIC CONTRACTS.

Under the operation of the Traffic Contracts the following Bonds have been bought in the year:

Chicago & Iowa Railroad:		
From business of 1875, $60,000, costing.......		$54,651.63
From business of 1876, 72,000, costing.......		71,905.30
		$126,556.93
Kansas City & Cameron Railroad:		
$57,000, costing.....	$57,963.13	
Less 15,000 sold....... .	14,616.67	
		43,346.46
Total...		$169,903.39

All of which have been placed in C., B. & Q. 8 per cent. Sinking Fund.

Proposals have been invited for all other Bonds as required by the several Traffic Contracts, with the exception of those of the Burlington & South Western R. R. Co., as to our obligations to purchase which there are some questions pending; but none others have been offered.

We have similar obligations to meet in the future; but from our past experience, we have every reason to believe that these engagements will not produce serious inconvenience. It was the theory of such contracts that we would only be investing in Railroad Bonds the profits on business which we would not otherwise get.

The entire property of the Company and its liabilities, December 31st, 1876, were:

Permanent Investment, Bills and Accounts Receivable, Cash and Materials on hand for future use		$63,736,941.39
Capital Stock	$27,598,242.51	
Bonds	27,501,325.00	
Accounts payable	414,232.40	
Bills payable (of which for account St. L , R. I. & C. R. R. $1,985,083.05)	2 043,575.00	57,557,374.91
Making Net Assets over Liabilities as before stated		$6,179,566.48

COMPARISONS.

The number of miles of Road, including Branches and Leased Roads, at the beginning of the year, was	1,297
Quincy, Alton & St. Louis Railroad, leased February 1, 1876	46
Number of miles at the end of the year	1,343
Average number of miles operated during the year	1,339
Average number of miles operated in 1875	1,268

The St. Louis, Rock Island & Chicago Railroad was acquired October 1, 1876, but the accounts of that Company have been kept distinct from those of this Company, and are not included in this Report.

The Gross Earnings, excluding Interest and Exchange, in 1876, were:		
Freight	$8,821,225,16	
Passengers	2,653,888.54	
Miscellaneous	528,836.75	
		$12,003,950.45
In 1875.		
Freight	$8,502,617.37	
Passengers	2,677,942.44	
Miscellaneous	557,888.36	
		11.738,488.17
Showing an increase in 1876 of		$265,502.28
The Expenses in 1876, including Rentals and Taxes belonging to this year's account (and excluding deferred Tax on Capital Stock for 1874, paid in this year, viz., $138,808.63), were		$6,813,999.82
The Expenses in 1875, including Rentals and Taxes, were		6,518,644.08
Showing an increase, in 1876, of		$295,355.74

The whole cost of Steel Rails used in relaying tracks has been charged to Operating Expenses in 1876. Heretofore the difference of cost of Steel over Iron has been charged to Construction Account.

The Net Earnings in 1876, after deducting Rentals and Taxes accruing in this year, were	$5,189,950.63
The Net Earnings in 1875 were	5,219,804.09
Showing a decrease, in 1876, of	$29,853.46
The total number of Passengers carried in 1876, exclusive of Mileage and Season Tickets, was	2,215,783
In 1875	2,019,484
Showing an increase of	196,299

The total number of tons of freight hauled

In 1876 were	2,892,614
In 1875 were	2,711,992

showing an increase in 1876 of 180,622 tons.

Although the amount of business, both passenger and freight, has increased, it will be seen that the earnings have not increased correspondingly. This has been largely due to the reduction of rates, through the acceptance by this Company of the provisions of an act of the Legislature of Iowa relieving railroad companies, their agents and employes from all prosecutions, fines and forfeitures for non-observance of the act known as the "Railroad Tariff Law," on condition that the railroad companies operate their roads for a period of two years, provided the law shall remain in force during that time, under and in accordance with the schedule prescribed by said law.

The fines and penalties for non-compliance with the law are very severe; and as the suits between the States of Iowa and Illinois in the United States Supreme Court, referred to in the last Report, were still undecided, the Directors considered that their duty to the stockholders required them to accept the act above referred to, rather than incur the risk of the decision being possibly adverse to the Company. The decision of the Court has not yet been rendered.

During the year, the suit enjoining the collection of the tax upon capital stock for the year 1874, and pending in the United States Supreme Court at date of last Report, has been determined. This tax was for $191,725.77. Of this amount $138,808.63 was, contrary to our expectation, adjudged to be due, and has been paid.

The tax on capital stock for 1875, amounting to $129,537.27, was enjoined in the Illinois State courts. This suit, as well as that enjoining the tax for 1873, for $223,287.37, also in the State court, both pending upon other questions not heretofore raised, it is expected will be determined during this year.

SPECIAL MEETINGS OF STOCKHOLDERS.

At the special meeting of the Stockholders called by the Directors to act upon the revision of the By-Laws, and especially with reference to regulating the action of the Board in regard to leases and extensions, the By-Laws were revised and adopted as printed herewith — 134,799 shares voting in favor of and 783 shares voting against their adoption.

It will be observed that the date of the Stockholders' Meeting has been changed to Wednesday after the fourth Monday of March, to give time for the preparation and distribution of the Annual Report among the Stockholders prior to the Annual Meeting.

A Special Meeting of the Stockholders was also held December 11, being called by the Directors for the purpose of laying their action before the Stockholders, in acquiring the St. Louis, Rock Island & Chicago Railroad.

In the circular notice of this meeting to the Stockholders, the Directors stated the influences that actuated them in acquiring the Road, and submitted a plan for paying for it.

The Resolution printed herewith was adopted, 155,624 shares voting in favor of and 420 shares against it.

BRANCHES AND NEW CONSTRUCTION.

In accordance with the authority thus conferred, arrangements have been made for a lease of the Road to this Company, at a fixed annual rental of $175,000, for the period of its charter, with provisions for renewal, so that in effect the lease will be in perpetuity.

Arrangements are in progress for providing means to pay the amount already expended, viz.: $1,985,083.05, and for the renewals immediately wanted, by the sale of $2,500,000 C., B. & Q. 5 per cent. Bonds.*

These Bonds will be secured by an equal amount of Bonds, of even date, of the St. Louis, Rock Island & Chicago Railroad Co., bearing 7 per cent. interest per annum, secured by a First Mortgage on said Road and Equipment, and deposited with Trustees, who will be authorized to apply the difference between the 7 per cent. interest received, and the 5 per cent. interest paid, to the purchase of such 5 per cent. Bonds, upon public proposals, as may be offered at a cost not exceeding par and interest, thus absorbing the whole issue of the 5 per cent. Bonds within twenty-five years.

The sale of these Bonds will provide for the immediate reduction of the item of Bills Payable.

The Road extends from the junction with the Chicago & Northwestern Railway, near Sterling, to Rock Island, and thence to St. Louis, having a joint interest with the Chicago and North-Western Railway, from Sterling to the junction, a distance of 5 $\frac{2}{10}$ miles, and using the Chicago, Rock Island & Pacific Road near Rock Island, for a distance of twelve miles, and the Indianapolis & St. Louis Road, near St. Lous, for a distance of twenty miles, under running arrangements with those Companies, with a Branch extending from Sagetown, on the main line of the C., B. & Q. Road, to Keithsburg, a distance of eighteen miles, in all 270 miles of Road absolutely acquired, besides rights over roads above referred to.

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*Since the date of this Report, $2,200,000 C., B. & Q. 5 per cent. Bonds have been sold under public proposals, netting $1,925,000.

The Equipment bought with the Road consisted of thirty engines, fourteen passenger cars, six baggage and mail cars, fifteen way cars and 897 freight cars.

The main line of the Road crossed the main line of the C., B. & Q. Road at five places, diverting business and reducing rates. The control of the Road by this Company makes it a feeder to the main line, and allows the establishment of steady and reasonable rates in place of the fluctuating and low rates that have prevailed throughout the district traversed by it.

The advantages from this, together with that of having under our control a connection with St. Louis, were such as left no doubt in the minds of the Directors as to the expediency of acquiring the Road at the price paid for it.

Reference was made in the last Report to a preliminary contract for the perpetual lease of the Quincy, Alton & St. Louis Railroad. This contract has since been carried into execution, and at a fixed rental of $42,000 per year, dating from February 1, 1876.

Nothing has been done during the year in the matter of bridge at Clinton, the affairs of the Chicago, Clinton & Dubuque Railroad being still in an unsettled condition, and thus preventing any permanent arrangement in regard to its business, pending which it has been thought advisable to defer any expenditures at Clinton.

The Construction and Equipment Account has been increased during the year :

For Road and Buildings	$307,345.79
" Equipment	72,017.50
	$379,363.29

TRACK AND EQUIPMENT.

The Track and Equipment have been well kept up. $72\frac{14}{100}$ miles of Track have been relaid with Steel Rails during the year—$40\frac{54}{100}$ in Illinois, and $31\frac{60}{100}$ in Iowa—the whole cost of which has been charged to Operating Expenses.

The total number of miles of Steel Rails now in the Road is $461\frac{1}{10}$.

Between Chicago and Burlington there are $18\frac{2}{10}$ miles of Iron in the main track; between Burlington and Plattsmouth, $149\frac{2}{10}$ miles; between Galesburg and Quincy, 41 miles; and between Galesburg and Peoria, $44\frac{5}{10}$ miles, making in all 252.9 miles to be relaid with Steel Rails, to complete the main line and the branches from Galesburg to Quincy and Peoria.

The amount paid for car service within the year, over amount received for use of our cars by other companies, was $149,431.63; which fact, coupled with the very low present prices of rolling stock, make it, in the opinion of the Board, desirable to add gradually to our rolling stock.

LAND DEPARTMENT.

The Lands unsold at date of last Report were 60,371,55 acres.

Gross sales in the year	31,701.69 acres, for	$405,209.22
Cancelled	16,126.24 " "	205,587.31
Net sales	15,575 45 acres, for	$199,621 91

Lands remaining unsold December 31st, 1876, 44,796.10 acres.

The gross cash receipts for this department have been	$327.900.35
Disbursements	47,187.43
Balance	$280,712.92

of which $265,078.08 has been paid to the Trustees in the Burlington & Missouri River Land Grant Mortgage.

The general result of this Department at the end of the year is as follows:

Due on Principal represented by Contracts on hand	$2,898,116.62
Due for Interest on those Contracts	679,893.49
Tax Certificates on hand	11,387 97
Bills receivable on hand	7,181.11
Paid Treasurer C., B. & Q. R. R. Co. for Sinking Fund	1,121,435.47
Acres remaining, 44,796.10, estimated at $5 per acre	223,980.50
	$4,941,995.16
From which deduct special deposit (Partial Payments)	44,431.85
Leaves an estimated result of this Department of	$4,897,563.31
To meet Bonds issued under Land Grant Mortgage, of which there is outstanding	$5,058,350.00

SUMMING UP.

In summing up results, it will be seen that we have passed through a year of great dullness in general business; but, with the help of fair crops in the country through which the Road passes, have accumulated a surplus beyond our usual dividend of $339,023.41, which has been used in paying $194,082 into our Sinking Fund; and the balance, $144,941.41, has been used for new construction in Iowa.

We have our main track in Illinois nearly all relaid with steel, and are steadily replacing iron with steel on the main line in Iowa.

Our Road and Equipment are in good order, but some additional rolling stock is required. What funds we need for equipment and for construction in Illinois we can raise, when necessary, by selling 7 per cent. Consolidated Bonds, authorized by our Mortgage for that purpose.

For construction in Iowa no bond fund is provided; and we must look for money needed for such construction to future surplus earnings, or must realize it from the assets which now represent the surplus of past years, as we have heretofore done: but, as an offset to this drain upon our resources, our Lands and Land Fund in Iowa have given very satisfactory additions to the Sinking Fund for meeting our Land Mortgage Bonds upon that portion of our Road.

For further detailed information, reference is made to the accompanying Reports of the Treasurer, Auditor, General Superintendent, and Land Commissioner.

By order of the Board.

ROBERT HARRIS,
President.

BY-LAWS.

As revised and adopted at a special meeting of the Stockholders, held at Chicago, April 24th, 1876.

1. The Annual Meeting of the Stockholders shall be held in the City of Chicago, Illinois, on the Wednesday after the fourth Monday of March in each year, and the Annual Report of the Directors shall be printed and distributed prior to said meeting.

A special meeting may be called by the Board of Directors, whenever, in their judgment, circumstances require it; and it shall be their duty to call one whenever requested in writing to do it by ten Stockholders, owning at least ten per cent. of the Capital Stock. At all meetings of the Company absent members may vote by proxies, duly authorized in writing.

2. The Stockholders, at the Annual Meeting, shall elect from among their number a Board of eleven Directors, to hold office until the next annual election, and until their successors are appointed and qualified, and to have the power to fill vacancies in the Board occasioned by death or resignation. They shall at their first meeting thereafter, or as soon as a quorum can be convened, proceed to organize by the election of a Chairman and a Clerk of the Board, a President, Vice President, Treasurer and Secretary, Assistant Treasurer and Auditor of the Company, to hold office only during the pleasure of the Board.

3. The Directors shall have the control, management and direction of the Company, shall appoint its officers, determine their duties and responsibilities, and fix their compensation.

4. Any six of the Directors shall constitute a quorum for the transaction of business.

5. The Board shall refer with due notice to the Stockholders for confirmation all extensions of their own road, or leases or purchases of other roads or parts of roads, whenever, in their opinion, it can be done without serious injury to the interest of the Company; but in case of such urgency that the Board deem immediate action necessary, they may, with the written approval of nine members of the Board, make such extensions, leases or purchases in any one year as in their judgment will not involve, in the aggregate, over one hundred and fifty thousand dollars of annual interest or rental.

6. The regular meetings of the Board of Directors shall be held at the office of the Company, in the City of Boston, Massachusetts, on the first Thursday of every month, at ten o'clock in the forenoon.

A special meeting shall be called by the Chairman whenever requested by the President or any three members of the Board, allowing for due notification of the members, not less than five days, and at such place as the Board may direct.

7. The Clerk shall keep a complete journal of the doings of the Board, and furnish a copy of the same to the Secretary of the Company for record with the proceedings of the Stockholders.

8. The Secretary, who may be the same person as the Treasurer, shall keep a full record of the proceedings of the Stockholders, and of all acts of the Board of Directors.

9. Transfers of shares shall not be valid, except as between the parties thereto, until regularly entered on the books of the Company with a surrender of a certificate or certificates for a corresponding amount.

10. These By-Laws may be amended and altered at any meeting of the Stockholders where a majority of the stock is represented and vote on the question.

STOCKHOLDERS' MEETING.

At a special meeting of the Stockholders held December 11, 1876, to consider the action of the Board of Directors in acquiring the St. Louis, Rock Island & Chicago Railroad, the following Resolution was adopted:

Resolved, That the action of the Board of Directors, in acquiring the possession, management and control of the St. Louis, Rock Island & Chicago Railroad, which by lease and renewals thereof are intended to be perpetual, is hereby in all things approved, ratified and confirmed:

And that the board is hereby authorized and requested to complete said transaction by causing to be executed and by taking a Lease of the said St. Louis, Rock Island & Chicago Railroad, its branches, equipment and appurtenances, upon such time, on such terms, and with such provisions for renewals thereof as they may deem advisable: *Provided,* that the annual rental shall not exceed seven per cent. in gold on $2,500.000 of bonds to be issued by that Company:

And the proposed financial plan is also hereby approved; and the Board is hereby authorized to adopt and carry the same into effect as proposed, or with such alterations and modifications as they may think necessary or expedient.

GEO. ARMOUR,
Chairman.

L. O. GODDARD,
Secretary.

GENERAL AUDITOR'S REPORT AND ACCOUNTS.

CHICAGO, December 31, 1876.

To the Directors of the Chicago, Burlington & Quincy Railroad Company:

The accounts of the Treasurer of the Company, which appear in another portion of the Annual Report, present in the usual form the general statement of the affairs of the Company on the 31st of December, 1876.

I submit herewith an analysis of these accounts, following, for the sake of uniformity, the same method of statement that was adopted in the Auditor's report for the previous year.

The accounts submitted herewith are as follows:

A. Showing the disposition of proceeds of all Capital Stock and Bonded Debt of the Company in Construction Expenditures, and also such portion of construction expenditure as has been paid out of surplus earnings.

B Showing what the Company holds to represent the surplus or profit, shown in Income Account and Profit and Loss Account.

C Showing accounts representing the current business of the Company, and including all not shown in Statements A and B.

The details of changes in the Capital Stock and Bonded Debt of the Company during 1876 are given in the report of the President and the accounts of the Treasurer, and it is therefore unnecessary to report them here.

The changes in Statement of Surplus during the year are as follows:

Amount of surplus, as per last year's report.............	$6,888,543.81
ADDITIONS.	
Surplus earnings for the year 1876..........................	339,023.41
For Local Aid received..	196,383.77
For receipts for Land Grant Account......................	298,013.81
	$7,721,964.80

REDUCTIONS.

Amount charged off to Profit and Loss during the year	$9,336.68	
Amount of Suspended Debt Items and Chicago and Iowa Stock deducted from Income Account Credits	1,533,061.64	
		1,542,398.32
Leaving balance of Surplus Account, Dec. 31, 1876		$6,179,566.48

To show clearly the distribution of the Surplus accounts, the following details are given:

Income Account as shown in Account B		$3,991,383.49
Profit and Loss Account as shown in Account B		151,582.29
B. & M. Land Grant Sinking Fund	$1,114,639.80	
Of which is shown in Account A	420,100	
Of which is shown in Account C	694,539.80	
		1,114,639.80
C., B. & Q. Sinking Fund 8 per cent. Bonds	2,072,952.07	
Of which is shown in Account A	1,179,744.88	
Of which is shown in Account C	893,207.19	
		2,072,952.07
Amount of Local Aid to B. & M. R. R. R. Co. which is shown in Account B by deduction from cost of new construction on B. & M. R. R. R		382,070.47

It will be noticed that the cost of investments charged to Trustees of B. & M. Land Grant, exceeds the amount of accumulation at credit of the fund. This difference arises from the fact that, changes in the securities held in the fund were in progress at end of the year, but not completed in time to get into the account by 1st January.

Otoe County Bonds. This item, which appears in the accounts for the first time, grows out of local aid voted by Otoe County, Nebraska, to the Red Oak Branch of the B. & M. in Iowa, some years since. The grant was contested and became the subject of a legal controversy which has been decided in favor of the Company, and the Bonds received are now placed in the accounts and credited to surplus account for local aid to the B. & M. in Iowa at par, subject to correction to the actual market value whenever the Bonds are sold.

C., B. & Q. 8 per cent. Sinking Fund. The amount at credit of this fund has been brought up to the full sum which the condition of the mortgage requires to be accumulated in that fund to January 1, 1877, inclusive, and which is also the aggregate of all advertisements for Bonds under said fund up to and including January, 1877. The total cost of investment for this fund to date amounts to $1,822,801.26, leaving $249,150.81 awaiting investment, of which $194,082 is comprised in advertisement for 8 per cent. Bonds now pending proposals to be opened February 12, 1877.

The sum necessary to place the Sinking Fund Account in this position has been transferred from surplus earnings at credit of Income Account, and consequently the amount at credit of the latter account is correspondingly reduced.

Suspended Accounts in Statement B. But little change has taken place during the year in the items comprising this account. No new items have been added, while of those reported last year $28,729.38 has been collected during 1876, and $8,389.23 written off to Profit and Loss as irrecoverable.

Material Account. This account shows a large increase over the previous year in cost of material on hand, the increase consisting entirely of steel rails and old rail remaining in store December 31. A careful valuation of all articles of material on hand December 31 has been made on basis of present values, and the diminution from actual cost found to be only $1,767.91, which has been charged off in operating expenses.

I have carefully examined from time to time all the accounts of the Company for the business of the year 1876, and have found them to be correct.

Respectfully submitted.

GEORGE TYSON,

General Auditor C., B. & Q. R. R. Co.

ACCOUNT "A."

Dr.

Capital Stock		$27,598,242.51
Bonds of C., B. & Q. R. R., outstanding	$17,077,475	
Bonds of B. & M. R. R. R., outstanding	5,908,850	
		22,986,325.00
Bonds of Branch Roads outstanding		4,515,000.00
Cost of C., B. & Q. R. R. 8 per cent. Bonds purchased and held in Sinking Fund prior to consolidated Mortgage		1,179,744.88
Amount of B. & M. R. R. R. Land Grant Bonds purchased and held in Sinking Fund and canceled		420,100.00
One B. & M. R. R. R. Road Bond, paid at maturity		1,000.00
Amount of C. B. & Q. R. R. 5 per cent. Bonds, purchased for Sinking Fund and canceled		14,000.00
64 Branch Bonds, purchased and held by C., B. & Q. R. R.		64,000.00
Amount of Subscription to B. & M. R. R. R. Capital Stock refunded		100.00
Portion of Construction Expenditure, per contra, not represented in Capital Stock or Bonded Debt, above, as follows:		
For C., B. & Q. R. R. and Branches, since July 1, 1873 (date of Consolidated Mortgage) for which Consolidated Mortgage Bonds can be sold	$ 992,127.55	
For B. & M. R. R. R. in Iowa, for which no provision for funding amount in excess of Local Aid has yet been made	1,268,598.59	
		2,260,726.14
Balance of Account carried to Account "B," being balance of Construction Expenditure prior to July 1, 1873, against which no Bonds can be sold		141,447.65
		$59,180,686.18

Cr.

Construction Accounts: C., B. & Q. and B. & M. R. R. R.	$48,207,043.98
Cost of Branch Roads after deducting all receipts for Local Aid	10,973,642.20
	$59,180,686.18

ACCOUNT "B."

To Amount at Credit of Income Account		$3,991,383.49
" " " " " Profit and Loss		151,582.29
		$4,142,965.78
By balance from Account "A," being surplus cost of Old Construction, against which no Bonds can be sold		$141,447.65
" New Construction C., B. & Q. R. R. and Branches, for which C., B. & Q. Bonds can be sold	$ 992,127.55	
" Less portion of cost of Property in Chicago, in Mortgages not yet due	35,575.00	
		956,552.55
" New Construction on B. & M. R. R. R., for which no provision for funding has yet been made	1,268,598.59	
" Less amount received for Local Aid	382,070.47	
		886,528.12
" Chicago Teams		4,265.00
" Material on hand in Storekeeper's Department	518.447.33	
" " " " for Stock Yards	5,000.61	
		523,447.94

SUSPENDED DEBT:		
By Amount of Suspended Debt Account, including Chicago & Iowa R. R. Stock		$1,533,061.64
INVESTMENTS.		
By Quincy City Bond	$ 500.00	
" Excelsior Pressed Brick Company Stock	6,250.00	
" Inter-State Industrial Exposition Company Stock	1,000.00	
" St. Joseph Stock Yards Stock	1,450.00	
" Water Pipe laid in Chicago, to be paid for by City as used	6,925.86	
" American Central R. R. Bonds	64,000.00	
		80,125.86
" Cost of C., B. & Q. R. R. 5 per cent. Bonds, purchased for Sinking Fund		14,000.00
" " " B. & M. R. R. R. Road Bond, paid at maturity		1,000.00
" " " two part paid subscriptions to B. & M. R. R. R. Stock refunded		100.00
" Cash		2,437.02
		$4,142,965.78

ACCOUNT "C."

To Unpaid Dividends		$ 4,693.75
" Unpaid Accounts and Vouchers, and due Agents and connecting Roads		200,215.82
" Bills payable		2,008,000.00
" B. & M. R. R. R. Land Grant		42,830.16
" Amount at credit of C., B. & Q. 8 per cent. Sinking Fund	$2,072,952.07	
" Less portion thereof invested in C., B. & Q. 8 per cent. Bonds and accounted for in Account A	1,179,744.88	
		893,207.19
" Amount at credit of B. & M. Land Grant Sinking Fund	1,114,639.80	
" Less portion invested in Land Grant Bonds as shown in Account A	420,100.00	
		694,539.80
" Unpaid Coupons and Pay-rolls		166,492.67
		$4,009,979.39

By Cost of investment made, with approval of Trustees, in sundry Securities for C., B. & Q. 8 per cent. Sinking Fund, other than 8 per cent. Bonds		$ 619,171.38
" Cost of investment by Trustees of B. & M. Land Grant in sundry Securities, other than Land Grant Bonds		862,484.74
" Due from St. Louis, Rock Island & Chicago R. R.		1,985,083.05
" Due from Post Office Department		45,103.62
" 186 Otoe County 8 per cent. Bonds, received account of Local Aid		186,000.00
" Bills receivable		9,701.70
ACCOUNTS DUE FROM CONNECTING ROADS AND OTHERS ON CURRENT BUSINESS:		
By Portion of our payments for overcharges and loss and damage Freight, due us from other Roads	$ 52,757.63	
" Due from Jno. Thompson, Receiver C., D. & M. R. R.	8,719.59	
" " " Hannibal & St. Joseph R. R.	19,457.17	
" " " Chicago, Pekin & So. Western R. R.	15,663.54	
" " " W. S. Woods, secured by collateral	44,087.83	
" " " Chicago & Paducah R. R.	35.074.94	
" " " New England Trust Co., Trustees	8,004.84	
" " " J. D. Cox, Receiver T., W. & W. R. R.	13,191.38	
" " " Numerous small accounts and balances	91,663.75	
		288,620.67
" Cash		13,814.23
		$4,009,979.39

TREASURER'S REPORT.

To the Directors of the Chicago, Burlington & Quincy Railroad Company:

I herewith present statements of the accounts of the Company for the fiscal year ending December 31, 1876:

A.—General Accounts.
B.—Income Account.
C.—Sinking Fund Account.
D.—Land Grant Sinking Fund.
E.—Monthly Earnings and Operating Expenses.

AMOS T. HALL,
Treasurer.

A

The Chicago, Burlington & Quincy Railroad Company in General Account, December 31, 1876.

DEBIT.

CAPITAL STOCK:				
Fractional Stock Scrip, reported December 31, 1875		$ 10.00		
251,001 Shares C., B. & Q. Stock, reported December 31, 1875		25,100,100.00		
21,277 Shares C., B. & Q. Stock, issued in exchange for B. & M. R. R. R. Stock.		2,127,700.00		
			$27,227,810.00	
Amount of B. & M. R. R. R. Stock, reported Dec. 31, 1875	$2,412,732.51			
Amount of B. & M. R. R. R. Stock, issued for B. & M. R. R. R. Bonds, paid and exchanged	85,500.00			
		$2,498,232.51		
Less Amount of Subscription to B. & M. R. R. R. Stock refunded.	100.00			
Less Amount of B. & M. R. R. R. Stock transferred to Trustees on Conversion into C., B. & Q. R. R. Stock	2,127,700.00			
		2,127,800.00		
			370,432.51	
				$27,598,242.51

Funded Debt:			
C., B. & Q. Trust Mortgage 8 per cent. Bonds, payable January 1, 1883		$531,000.00	
Less Amount purchased for Sinking Fund	$11,000.00		
Less Amount converted into Stock	370,000.00		
		381,000.00	
			$ 150,000.00
C., B. & Q. Trust Mortgage Inconvertible Sinking Fund 8 per cent. Bonds, payable January 1, 1883		3,600,000.00	
Less Amount purchased for Sinking Fund		1,030,000.00	
			2,570,000.00
C., B. & Q. Trust Mortgage 7 per cent. Bonds, payable Oct. 1, 1890		680,000.00	
Less Amount exchanged for C., B. & Q. 7 per cent. Bonds of 1903		13,000.00	
			667,000.00
C., B. & Q. 7 per cent. Bonds, payable January 1, 1896			
Amount reported December 31, 1875		2,391,475.00	
Less Amount exchanged for C., B. & Q. 7 per cent. Bonds of 1903		473.000.00	
			1,918,475.00
C., B. & Q. 7 per cent. Mortgage Bonds, payable July 1, 1903			
Amount reported December 31, 1875		8,428,000.00	
Amount issued in exchange for Branch Bonds purchased		1,362,000.00	
Amount issued in exchange for C., B. & Q. Bonds		487,000.00	
Amount sold during 1876		156,000.00	
			10,433,000.00
C., B. Q. Second Mortgage Bonds issued on account Northern Cross Railroad, payable at Frankfort-on-the-Main, interest at 4½ per cent. to July 1, 1875, and at 4 per cent. from July 1, 1875 to July 1, 1890		941,000.00	
Less Amount purchased for Sinking Fund		50,000.00	
			891,000.00

A—Continued.

C., B. & Q. 5 per cent. Bonds, payable June 1, 1895	$462,000.00			
Less Amount purchased for Sinking Fund	14,000.00	$ 448,000.00	$17,077,475.00	
B. & M. R. R. R. Road Bonds overdue	2,600.00			
Less Amount paid at maturity	1,000.00	1,600.00		
B. & M. R. R. R. Land Grant Bonds	5,058,350.00			
Less Amount held in Sinking Fund	420,100.00	4 638,250.00		
B. & M. R. R. R. Convertible 3d Series Bonds	322,500.00			
Less Amount Converted into Stock during 1876	24,000.00	298,500.00		
B. & M. R. R. R. Convertible of 1879	308,000.00			
Less Amount Converted into Stock during 1876	18,500.00	289,500.00		
B. & M. R. R. R. Convertible Bonds of 1894	308,500.00			
Less Amount Converted into Stock during 1876	28,500.00	280,000.00		
B. & M. R. R. R. Convertible Bonds of 1889	409,500.00			
Less Amount Converted into Stock during 1876	8,500.00	401,000.00	5,908,850.00	
Total Funded Debt bearing an average rate of interest of 7 per cent				$22,986,325.00

CONTINGENT LIABILITIES FOR BRANCH BONDS:	*Original Issue.*	*Deduct Purchased & Exchanged.*	*Outstanding.*	
American Central R. R. Bonds	$ 800,000.00	$414,000.00	$ 386,000.00	
Ottawa, Oswego & Fox River Valley R. R. Bonds	1,260,000.00	181,000.00	1,079,000.00	
Dixon, Peoria & Hannibal R R. Bonds	800,000.00	236,500,00	563,500.00	
Illinois Grand Trunk R. R. Bonds	957,500.00	57,000.00	900,500.00	
Keokuk & St. Paul R. R. Bonds	1,000,000.00	682 000.00	318,000.00	
Peoria & Hannibal R. R. Bonds	600,000.00	323,000.00	277,000.00	
Quincy & Warsaw R. R. Bonds	800,000.00	75,000.00	725,000.00	
Carthage & Burlington R. R. Bonds	600,000.00	334,000.00	266,000.00	
Albia, Knoxville & Des Moines R. R. Bonds	462,000.00	462,000 00		
	$7,279,500.00	$2,764.500.00	$4,515,000.00	$ 4,515,000 00
Unclaimed Dividends			$ 4,693.75	
Unpaid Accounts and Vouchers			200,215.82	
Unpaid Coupons and Pay-rolls			166,492.67	
Bills Payable			2,043.575.00	
Land Grant B. & M. R. R. R.			42,830.16	
				$2,457,807.40
Profit and Loss				151,582.29
Total Receipts of Local Aid to B. & M. and Branches				382,070.47
Income Account				3,991,383.49
Sinking Fund				2,072,952.07
Land Grant Sinking Fund				1,114,639.80
				$65,270,003.03

A—CONTINUED.

CREDIT.

CONSTRUCTION ACCOUNTS:			
Amount of construction, reported December 31, 1875	$38,950,433.56		
Amount of equipment, reported December 31, 1875	8,911,027.20		
		$47,861,460.76	
*Amount expended for construction during past year	269,855.72		
Amount expended for equipment during past year	75,727.50		
		345,583.22	
			$48,207 043.98
COST OF BRANCH ROADS:			
American Central Railroad	$1,377,528.02		
Dixon, Peoria & Hannibal Railroad	965,345.61		
Dixon & Quincy Railroad	80,179.47		
Carthage & Burlington Railroad	825,549.62		
Illinois Grand Trunk Railroad	1,448,314.09		
Keokuk & St. Paul Railroad	1,479,513.67		
Ottawa, Oswego & Fox River Valley Railroad	1,825,762.08		
Peoria & Hannibal Railroad	969,262.41		
Quincy & Warsaw Railroad	933,723.48		
Chicago & Rock River Railroad	606,463.75		
Albia, Knoxville & Des Moines Railroad	462,000.00		
			10,973,642.20

Chicago & Iowa Railroad Stock, 6,640 Shares		$ 404,552.77	
Chicago Teams		4,265.00	
Material on hand for future use:			
Steel Rail	$ 116,082.45		
Old Rail	156,506.58		
Other Material	245,858.30	518,447.33	
Trustees B. & M. Land Grant	1,282,584.74		
Less Land Grant Bonds deducted from Bond Account per contra	420,100.00	862,484.74	
Trustees of C., B. & Q. Sinking Fund:			
Cost of investment in other than C., B. & Q. 8 per cent. Bonds, account of the Fund		619,171.38	$ 2,408,921.22
CURRENT ACCOUNTS:			
Due from Accounts and Bills Receivable, including 1,128,508.87 Suspended Debt Accounts		1,633,957.71	
Due from Post Office Department		45,103.62	
Due from St. Louis, Rock Island & Chicago Railroad		1,985,083.05	
Cash in Treasury		16,251.25	3,680,395.63
			$65,270,003.03

A—CONTINUED.

	Dr.	*Cr.*	
*Track and Side Track	$ 84,899.55		
Bridging	13,985.25		
Buildings	49,747.20		
New Telegraph Lines	3,705.08		
Burlington Station Grounds	23,700.00		
Albia, Knoxville & Des Moines Railroad	9,776.20		
B. & M. R. R. R. Construction	238,053.72		
Total Debit	423,867.00		
Land and Right of Way		$ 5,616.70	
Discount and Premium on Bonds		15,376.00	
Total Credit		$20,992.70	
Total Expended for Construction			$402,874.30
Less portion of above representing charge for difference between cost of Steel and Iron Rails, written back by order of the Board of Directors			133,018.58
			269,855.72
Locomotives	$20.950.00		
Passenger Cars	21,767.52		
Freight Cars	25,699.98		
Baggage, Mail and Express Cars	3,600.00		
Machinery and Tools	3,710.00		
Total Debit	75,727.50		
Total Expended for Equipment			$75,727.50

B

The Chicago, Burlington & Quincy Railroad Company in Account with Income Account, December 31st, 1876.

1875.			
December 31.	—For Balance as per Annual Report of 1875		$ 4,361,567.27
1876.			
December 31.	—For Freight Earnings for 12 months	$8,821,225.16	
"	Passenger Earnings for 12 months	2,653,888 54	
"	Miscellaneous Earnings for 12 months	528,836.75	
"	Interest and Exchange for 12 months	53,844.40	
			12,057,794.85
			$16,419,362.12

B—Continued.

CONTRA CREDIT.

By Operating Expenses for 12 months			$6,475,251.79	
" Rent of Tracks			84,263.13	
" Interest on Bonds				
Chicago, Burlington & Quincy Railroad		$1,191,438.74		
Burlington & Missouri River Railroad		427,681.39		
Carthage & Burlington Railroad		23,766.66		
American Central Railroad		30,880		
Dixon, Peoria & Hannibal Railroad		45,200		
Peoria & Hannibal Railroad		22,160		
Keokuk & St. Paul Railroad		33,780		
Quincy & Warsaw Railroad		58,040		
Ottawa, Oswego & Fox River Valley Railroad		86.320		
Illinois Grand Trunk Railroad		72,690		
			1,991,956.79	
" Taxes, United States			24,940.83	
" Taxes, State, County and City, Illinois—Capital Stock Tax of 1874	$138,808.03			
Tangible Property Tax, '75	131,788.19			
		270,596.82		
" Taxes, State, County and City, Iowa		122,696.71		
			393,293.53	
" Dividend No. 31, March 15, 1876		1,372,642.62		
" Dividend No. 32, September 15, 1876		1,376,422.75		
			2,749,065.37	
" Amount transferred to Sinking Fund for investment in Sinking Fund Bonds for 1876		194,082.00	709,207.19	
" Balance due Sinking Fund for former years		515,125.19		$12,427,978.63
" Balance to credit of Income Account				3,991,383.49
				16,419,362.12

C

SINKING FUND.

1857.—October	1,	For cost of	$ 77,000	Chicago & Aurora Second Mortgage Bonds					$ 66,393.47
1859.—January	31,	“ “	30,000	C., B. & Q.	Inconvertible	8	per cent.	“	26,567.50
1860.—January	31,	“ “	28,000	“ “	“	8	“	“	23,937.25
1860.—January	31,	“ “	6,000	“ “	Convertible	8	“	“	5,090.00
1861.—January	31,	“ “	39,000	“ “	Inconvertible	8	“	“	35,903.75
1862.—January	31,	“ “	130,000	“ “	“	8	“	“	127,616.66
1863.—January	31,	“ “	117,000	“ “	“	8	“	“	151,515.00
1864.—January	31,	“ “	87,000	“ “	“	8	“	“	104,437.50
1864.—January	31,	“ “	5,000	“ “	Convertible	8	“	“	5,000.00
1867.—January	31,	“ “	46,000	“ “	Inconvertible	8	“	“	50,600.00
1868.—January	31,	“ “	45,000	“ “	“	8	“	“	49,500.00
1869.—January	31,	“ “	101,000	“ “	“	8	“	“	110,200.00
1870.—January	31,	“ “	101,000	“ “	“	8	“	“	111,100.00
1871.—January	31,	“ “	51,000	“ “	“	8	“	“	55,986.25
1872.—January	31,	“ “	233,000	“ “	“	8	“	“	255,897.50
1874.—January	31,	“ “	3,000	“ “	“	8	“	“	3,000.00
1875.—September	30,	“ “	18,000	“ “	“	8	“	“	20,885.00
1876.—February	29,	“ “	1,000	“ “	“	8	“	“	1,000.00
1876.—December	31,	“ “	400,000	Nebraska Railway		7	“	“	619,171.38
1876.—December	31,	“ “	210,000	Chicago & Iowa R. R.		8	“	“	
1876.—December	31,	“ “	1,000	C., C. & D. R. R.		8	“	“	
1876.—December	31,	“ “	43,000	C., D. & M. R. R.		8	“	“	
1876.—December	31,	“ “	42,000	K. C. & C. R. R.		10	“	“	
1876.—December	31,	Money held for investment by Trustees							249,150.81
		Total Bonds Purchased,	$1,814,000	Total Cost					$2,072,952.07

D

LAND GRANT SINKING FUND.

$420,100	Land Grant Bonds,	purchased for	Land Grant	Sinking Fund	$
120,000	Omaha & South-Western Bonds,	"	"	"	
63,500	C., B. & Q. 7 per ct " of 1903,	"	"	"	
30,100	Peoria & Hannibal	"	"	"	
9,000	Dixon, Peoria & Hannibal Bonds,	"	"	"	
14,000	Keokuk & St. Paul Bonds,	"	"	"	
22,500	Carthage & Burlington	"	"	"	
100,000	C., B. & Q. 5 per ct.	"	"	"	
29,000	Quincy & Warsaw	"	"	"	
13,500	Illinois Grand Trunk	"	"	"	
26,000	B. & M. R. R. R., in Neb.,	"	"	"	
500,000	Nebraska Railway	"	"	"	
$1,347,700				Total Cost	$1,282,584.74

E

·EARNINGS AND OPERATING EXPENSES OF THE CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY,

From January 1st to December 31st, 1876.

Earnings.	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Aggregate.
For Transportation of Freight	567,307.47	730,604.45	611,553.29	639,720.68	795,301.39	820,012.00	545,204.87	756,645.38	912,357.62	1,063,864.41	781,797.83	596,855.77	8,821,225.16
Passengers	208,515.44	178,426.95	222,110.56	213,754.45	202,287.25	225,128.49	230,057.69	241,011.92	281,160.82	267,439.33	209,051.01	174,944.63	2,653 888.54
Mail and Miscellaneous	37,138.72	36,591.46	52,089,14	38,894.67	51,981.18	54,159.05	38,912.24	52,213.15	48,604.14	27,965.14	35,968.49	54,319 37	528,836.75
Total	812,961.63	945,622.86	885,752.99	892,369.80	1,049,569.82	1,099.299 54	814,174.80	1,049,870.45	1,242,122.58	1,359,268.88	1,026,817.33	826,119.77	12,003,950.45
OPERATING EXPENSES.													
Train Service	41,140.21	47,366.79	43,549.91	43,053.25	43,669.96	47,917.12	40,569 67	43,022.92	52,750.22	58,031.06	47,509.11	49,033.05	557,613.27
Engine Service	53,661.15	55,936.75	56,238.55	52,794.10	57,563.06	61,031.84	53,870.22	57,151 54	64,874.73	67,634.98	62,122.98	61,815.68	704,695.58
Station Service	49,685.38	54,208.30	56,878.61	56,015.31	53,782.09	57,460.08	57,452.94	57,456.65	58,614.51	56,700.90	60,112.82	61,786.98	680,154.57
Water Service	5,018.93	7,350.18	5,354.87	4,828.32	4,752.46	5,310.18	4,445.04	5,517.09	5,317.56	5,565.08	5,167.47	5,653.46	64,280.64
Repairs Track	56,400.14	71,723.90	118,216.82	149,595.34	165,167.85	124,787.55	117,238.88	104,580.81	128,358.02	112,532.53	105,722.17	64,808.59	1,319,132.60
Repairs Bridges	13,524.75	22,220.30	20,211.21	14,813.62	19,241.30	24,320.29	27,558.73	28,369.06	26,637.20	20,451.19	30,061.97	34,691.02	282,100.64
Repairs Fences	2,386.93	1,986.05	1,712.97	1,677.10	3,876.08	4,824.15	3,379.29	3,281.21	3,295.64	3,738.39	2,444.65	1,122.16	33,724.62
Repairs Buildings	4,078.12	3,113.36	3,982.07	5,711.11	5,589.46	6,982.15	6,717.62	7,541.03	5,260.82	6,812.75	3,061.39	4,785.07	63,634.95
Repairs Docks	500	....	....	....	....	....	....	....	....	....	....	....	500
Miscellaneous Loss and Damage	8,861.02	4,170.12	2,997.19	16,092.28	14,353.27	6,565.06	9,192.46	21,107.29	14,629.39	3,660.63	11,600.95	10,595.13	123,824.79
Fuel Consumed	57,983.70	63,122.78	60,525.99	47,456.11	45,173.99	46,801.22	34,357.01	36,052.56	49,745.90	61,769.06	58,151.82	65,264.37	626,404.51
General Expenses	27,533.24	44,735.00	49,467.45	44,157.21	41,646.89	40,624.08	73,853.35	43,210.69	38,347.48	39,425.41	48,398.43	56,182.00	547,581.23
Foreign Agencies	5,219.65	6,646.16	6,243.33	5,831.29	8.849.19	6,604.74	6,728.21	7,406.34	6,390.89	7,157.48	7,015.63	7,849.81	81,942.72
Stationery, Printing & Advertising	2,939.77	4,855.92	4,490.18	5,353.57	4,698.34	5,390.75	6,772,11	3,545.49	5,366.19	4,806.19	4,356.97	6,037.80	58,613.28
Repairs Cars	39,827.34	39,895.09	42,255.30	41,293 13	47,834.01	45,178.52	46,182.63	54,299 51	49,806.74	51,652.79	54,795.07	46,914.75	559,934.88
Oiland Waste	8,064.65	8,303.52	7,975.07	7,744.20	7,552.92	7,099.23	6,027 19	6,610.07	7,667.13	9,432.97	9,544.09	8,157.44	94,178.48
Repairs Locomotives	26,879.95	26,308.94	30,649.09	27,980.19	27,564.32	30,391.56	29,590.35	38,706.62	39,338.68	38,982.89	37,188.46	41,398.77	394,979.82
Rent of Cars	....	6,144.23	3,276.16	6,377.18	6,728.19	5,018.29	13,732.26	23,633.66	10,029.19	7,531.08	26,439.05	46,433.01	155,342.30
Difference between cost of Steel and Iron on Steel Rails laid during the year, charged to Operating Expenses by order of the Board	....	....	....	....	....	....	....	....	....	....	....	....	133,018.58
Total	403,209.93	468,087.39	514,024.77	530,773.31	558,043.38	526,306 81	537,667 96	541,492.54	566,430.29	555,885.38	573,693.03	572,529.09	6,481,162.46
Credit by Rent of Cars	5,910.67	....	....	....	....	....	....	....	....	....	....	....	5,910.67
Total	397,299.26	468,087.3	514,024.77	530,773.31	558,043.38	526,306.81	537,667.96	541,492.54	566,430.29	555,885.38	573.693.03	572,529.09	6,475,251.79

CHICAGO, BURLINGTON & QUINCY RAILROAD CO.,
VICE PRESIDENT'S OFFICE,
BURLINGTON, IOWA, January 20, 1877.

MR. ROBERT HARRIS, *President:*

DEAR SIR:—I hand you herewith, for the information of the Board, Reports of Mr. William B. Strong, General Superintendent, and Mr. A. E. Touzalin, Land Commissioner, for the year ending December 31, 1876.

Respectfully,
CHARLES E. PERKINS,
Vice President.

SUPERINTENDENT'S REPORT.

CHICAGO, BURLINGTON & QUINCY RAILROAD,
GENERAL SUPERINTENDENT'S OFFICE,
CHICAGO, ILL., *January* 10, 1877.

C. E. PERKINS, ESQ., *Vice President and General Manager:*

DEAR SIR:—Herewith are statistics showing the business of the Road for the year ending December 31, 1876.

	MILES.
The length of Road at beginning of the year was	1,297
To which has been added the Road from Quincy to East Louisiana, which this Company began operating February 1, 1876, including Branch, Fall Creek to East Hannibal	46
Making the total length of Road at end of the year	1,343
Equal to an average for the year of	1,339

The earnings for 1876, as compared with the preceding year, are as follows:

From	1875.	1876.	Increase.	Decrease.
Freight	$8,502,617 37	$8,821,225.16	$318,607.79	
Passengers	2,677,942.44	2,653.888.54		$24,053.90
Miscellaneous	557,888.36	528,836.75		29,051.61
Totals	$11,738.448,17	$12 003,950.45	$318,607.79	$53,105.51
Net increase			$265,502.28	

The operating expenses for the same years were:

	1875.	1876.	Increase.
Operating Expenses, including Taxes and Rents	$6,518,644.08	$6,952,808.45	$434,164.37

	1875.	1876.	Increase.
The ratio of expenses to earnings	55.53 per cent.	57.92 per cent.	2.39 per cent.

The details of the Passenger business are as follows:

	1875.	1876.	Increase.	Decrease.
Number of Passengers carried on entire line	2,202,592	2,393,779	191,187	
Number of Passengers carried one mile	97,930,449	99,238,481	1,308,032	
Average mileage of Passengers	$44\frac{46}{100}$ miles.	$41\frac{457}{1000}$ miles.		$3\frac{003}{1000}$
Earnings, per Passenger, per mile	$02\frac{735}{1000}$ ecnts.	$02\frac{674}{1000}$ cents.		$\frac{61}{1000}$

The earnings of the Passenger business are from the following sources:

	1875.	1876.	Increase.	Decrease.
Season Tickets............	$14,676.00	$15,297.03	$621.03	
Mileage Tickets..........	47,635.00	29,326.45		$18,308.55
Other Tickets	2,615,631.44	2,609,265.06		6,366.38
Total........................	$2,677,942.44	$2,653,888.54	$621.03	$24,674.93
Net decrease............				$24,053.90

The total number of tons of freight carried during the years 1875 and 1876 was:

	1875.	1876.	Increase.	Decrease.
To Chicago..................................	1,197,848	1,409,687	211,839	
From Chicago..............................	647,418	638,245		9,173
Between all other stations...............	866,726	844,682		22,044
Totals...............................	2,711.992	2,892,614	211,839	31.217
Net increase..			180,622	

Steel Rail was laid during 1876:

	MILES
On C., B. & Q. R. R. and Branches..	$40 \frac{536}{1000}$
On B. & M. R. R. and Branches..	$31 \frac{605}{1000}$
Making a total of...	$72 \frac{141}{1000}$

The number of miles of road now laid with steel is as follows:

Between Chicago and Burlington..	$248 \frac{27}{5280}$
“ Galesburg and Quincy..	$59 \frac{690}{5280}$
“ Galesburg and Peoria..	$8 \frac{2553}{5280}$
“ Aurora and Streator..	$15 \frac{3958}{5280}$
On Main Line B. & M. R. R..	$129 \frac{4182}{5280}$
Being a total of..	$461 \frac{850}{5280}$

Bridges in Illinois:

Renewed..	45

Bridges in Iowa:

Replaced with Masonry..	49
Filled with Earth..	65
Partially filled with Earth...	10
Taken out and filled...	49
Renewed..	16

Track Ties were renewed during the last two years as follows:

	1875.	1876.	Increase.
In Illinois..	251,237	334,704	83,467
In Iowa..	103,728	144,073	40,345
Net Increase..			123,812

Contrary to the rule which has hitherto been followed in our accounts, instead of the difference between the cost of iron and steel being charged to construction, the whole cost of the steel used in relaying track during 1876, was charged to track repairs and included in operating expenses.

There has been expended and charged to construction the following items:

ON ACCOUNT OF C., B. & Q. R. R. AND BRANCHES.

New Side Track	$19,960.08	
New Bridges	13,985.25	
New Buildings	36,945.56	
New Telegraph Line	3,008.77	
New Machinery and Tools	3,710.00	
Lands and Right of Way	35,937.55	
Miscellaneous	468 00	
		$114,015.21

ON ACCOUNT OF B. & M. R. R. AND BRANCHES.

New Side Track	$33,434.05	
Culverts, Masonry, Replacing Wooden Bridges	108,506,85	
New Fences	13,295.10	
New Buildings and Extensions	2,408.47	
New Water Works	16,614.15	
Lands and Right of Way	6,443.37	
A., K. & D. R. R., Construction	7,954.02	
Ballast	1,878.07	
New Work	2,796.50	
		$193,330.58

ON ACCOUNT OF EQUIPMENT.

New Engines	$20,950.00	
New Passenger and Parlor Cars	21,767.52	
New Baggage, Mail and Express Cars	3,600.00	
New Freight Cars—100 unfinished	25,699.98	
		$ 72,017.50
		$379,363.29

The Equipment at the close of the year 1876 consisted of:

Engines	305
Passenger Coaches	114
Parlor Cars	2
Baggage, Mail and Express Cars	61
Box Freight Cars	4,211
Platform and Coal Cars	1,725
Way Cars	141

Office Cars	2
Pay Car	1
Dump Cars	31
Wrecking and Tool Cars	5
Pile Driver	1
Hand Cars	421
Rubble Cars	361

I would add that we have expended a large amount of money for the use of freight cars belonging to other Companies during the year—an expense absolutely necessary owing to the want of cars of our own sufficient to carry our largely increased tonnage. In my judgment it would be wise to increase our equipment of freight cars as rapidly as with proper economy they can be built in our own shops.

I add a comparative table of operating expenses for the years 1875 and 1876, and am

Very respectfully,

WILLIAM B. STRONG.

General Superintendent.

COMPARATIVE STATEMENT OPERATING EXPENSES.

	1875.	1876.	Increast.	Decrease.
Train Service	$505,826.49	$557,613.27	$51,786.78	
Engine Service	639,985.14	704,695.58	64,710.44	
Station Service	696,425.11	680,154.57		$16,270,54
Water Service	74,741.45	64,280.64		10,460.81
Repairs Track	1.276,916.94	1,452,151.18	175,234.24	
Repairs Bridges	253,692.01	282,100.64	28,408.63	
Repairs Fences	20,206.29	33,724.62	13,518.33	
Repairs Buildings	80,830.17	63,634.95		17,195.22
Repairs Docks	7,883.17	5.00		7,878.17
Repairs Cars	554,383.02	559,934.88	5,551.86	
Repairs Engines	402,747.68	394,979.82		7,767.86
Loss and Damage, Misc.	148,324.58	123,824.79		24,499.79
Fuel	634,575.10	626,404.51		8,170.59
General Expenses	530,551.55	547,581.23	17,029.68	
Foreign Agencies	100,472.55	81,942.72		18,529.83
Stat'y, Print'g & Adv'g.	60,570.60	58,613.28		1,957.32
Oil and Waste	96,855.74	94,178.48		2,677.26
Rent of Cars	35,689.17	149,431.63	113,742.46	
	$6,120,676.76	$6,475,251 79	$469,982.42	$115,407.39
Net Increase			$354,575.03	

CHICAGO, BURLINGTON & QUINCY RAILROAD CO.,

GRANTEE AND ASSIGNEE OF THE

BURLINGTON & MISSOURI RIVER RAILROAD COMPANY.

LAND DEPARTMENT.

REPORT FOR YEAR 1876.

Statement I.

The Land Sales, for the year 1876, have been 31,701$\frac{69}{100}$ acres, for $405,209.22, an average of $12.78 per acre.

During the year there have been cancelled from our books contracts amounting to 16,126$\frac{24}{100}$ acres, for $205,587.31. There has, therefore, been added to our Contract Accounts 15,575$\frac{45}{100}$ acres, for $199,621.91.

The year has not been a successful one for farmers in Southern Iowa, and collections have not been as large as anticipated. The Net Cash paid Treasurer for Sinking Fund in this year was $265,078.08, making a total to the credit of that account of $1,121,435.47. All Expenditures and Taxes since organization have been covered by receipts from Interest and Miscellaneous, and there has been paid to the Treasurer the whole amount received from Principal of lands sold ($893,957.31) and $227,478.16 in excess thereof.

We now have about Four Thousand Outstanding Contracts, nearly all represented by Residents and Improvers on the line of the Road.

The unsold acreage on hand, January 1st, 1877, was 44,796$\frac{10}{100}$.

Statement II.

GROSS ACRES SOLD AND RATE PER ACRE.

To January 1st, 1876	351,577.88	for	$4,239,005.61	$12.05	per acre.
In 1876	31,701.69	"	405,209.22	12.78	"
To January 1st, 1877	383,279.57	"	$4,644,214.83	$12.11	"

CANCELLATIONS OF CONTRACT.

To January 1st, 1876	51,876.47	for	$651,879.44	$12 56	per acre.
In 1876	16,126.24	"	205,587,31	12.74	"
To January 1st, 1877	68,002.71	"	$857,466.75	$12.61	"

NET ACRES SOLD, AND RATE PER ACRE.

To January 1st, 1876	299,701.41	for	$3.587,126.17	$11.96	per acre.
In 1876	15,575.45	"	199,621.91	12.81	"
To January 1st, 1877	315,276.86	"	$3,786,748.08	$12.01	"

EXPENDITURES.

To January 1st, 1876	$376,353.01
In 1876	37,089.88
To January 1st, 1877	$413,442.89

TAXES PAID.

To January 1st, 1876	$152,732.41
In 1876	10,097.55
To January 1st, 1877	$162.829.96

PAID TREASURER FOR SINKING FUND.

To January 1st, 1876	$856,357.39
In 1876	265,078.08
To January 1st, 1877	$1,121,435.47

Geo. Wm Brown dedit.

Statement III.

COMPENDIUM OF TRIAL BALANCE, DECEMBER 31, 1876.

DR.

Expenditures since organization	$413,442.89
Taxes since organization	162,829.96
Contracts on hand—Principal	2,898,116.62
" " —Interest	679,893.49
Discounts from Principal and Interest for payments in full	20,654.65
Good Assets—Tax Certificates, etc	18,447.92
Paid Treasurer for Sinking Fund	1,121,435.47
	$5,314,821.00

CR.

Principal on Lands sold	$3,792,073.93
Interest on Lands Sold	1,366,746.54
Additional Interest earned at 10 per cent	46,431.03
Earned from Forfeited Contracts and Incidentals	65,137.65
Special Deposits	44,431.85
	$5,314,821.00

Statement IV.

GENERAL RESULT.

The accumulation of our Interest Accounts will make continued additions to the result of the Land Grant. The Trial Balance shows the result to December 31, 1876:

Paid Treasurer for Sinking Fund	$1,121,435.47
Principal represented by Contracts on hand	2,898,116.62
Interest " " " " "	679,893.49
Tax Certificates on hand	11,387.97
Bills Receivable on hand	7,181.11
44,796$\frac{10}{100}$ acres unsold Land at $5	223,980.50
	$4,941,995.16
Deduct Special Deposit Account	44,431.85
	$4,897,563.31

[NOTE.—The interest represented by contracts is included in above result, because it forms a part and portion of the contracts, and will all be collected, except such part as is voluntarily discounted by the Company for payments in advance of due.]

A. E. TOUZALIN,
Land Commissioner.